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RUEHWN/AMEMBASSY BRIDGETOWN 0070  
RUEHPU/AMEMBASSY PORT AU PRINCE 0212  
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RHEBAAA/DEPT OF ENERGY WASHDC  
RHEHNSC/NSC WASHDC  
RUCPDOG/DEPT OF COMMERCE WASHDC

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STATE FOR WHA/BSC, WHA/EPSC AND GREG MANUEL  
EEB/ESC JAMES EIGHMIE  
NSC FOR FEARS AND DAVID MCCORMICK  
DOE FOR GWARD, AKARSNER, BBARTON  
USDOC FOR 4332/ITA/MAC/WH/OLAC/JANDERSEN/ADRISCOLL/MWAR D  
USDOC FOR 3134/ITA/USCS/OIO/WH/RD/DRAMBO

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SUBJECT: Brazil: Biofuels Meeting with MRE's Division of Renewable Energy

A) Corneille/Haendler e-mails 1/17/08 B) 07 State 168092 C) McManus e-mail 1/23

11. Summary: EconOffs and ESTHOffs met January 22 with Ministry of External Relations (MRE) interlocutors to discuss next steps on our Biofuels MOU, and used the opportunity to introduce the MRE to new economic deputy and energy officer. Claudia Vieira Santos and Marcelo Solomao Martinez clarified GOB plans for several upcoming meetings: the Washington International Renewable Energy Conference (WIREC); the International Biofuels Forum; bilateral meetings of the Biofuels Steering Committee and its Advisory Group; and an upcoming biofuels conference to be held in November in Brazil, to which President Bush will be invited. MRE committed to confirm Vargas availability for proposed March 4 Steering Committee; promised names for the advisory group will be forthcoming "very soon;" were unable to provide a date yet for the next science exchange and promised to obtain a final copy of the report on the Brazilian scientists' trip to the United States; and committed to follow up on the question of a joint presentation at the IDB conference, getting a final copy of the report on the scientists' exchange, and finding out when the FGV's reports on the DR and El Salvador will be completed. MRE also expressed some concern regarding the pace and timing for selecting second tranche countries. END SUMMARY

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WIREC  
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12. In response to questions by ESTH Counselor regarding plans for the March 7 Washington International Renewable Energy Conference in Washington (WIREC), Santos said that Acting Minister of Mines and Energy, Nelson Hubner, has stepped down and will not participate. It is unlikely that the new Minister, Edison Lobao - just sworn in on January 21 - will participate. Brazil may send someone else, possibly his newly appointed vice minister, Marcio Zimmermann. Agriculture Minister Reinhold Stephanes will not be available but will nominate someone high-level in his stead. In addition, Santos indicated some GOB confusion regarding the designation of an "official delegation" when WIREC is a mixed conference of both government and non-government attendees. MRE would be reluctant to take responsibility for credentialing non-government Brazilian participants who may not be known to the MRE. ESTH Counselor assured her that he would pass her concern to Washington. He also

clarified that the official invitation to form a delegation had gone only to Foreign Minister Celso Amorim. The Embassy had delivered separate invitations to speak or take part as panelists to Science and Technology Minister Rezende, EMBRAPA head Crestana, and Petrobras CEO Gabrielli. According to Santos, the MRE delegation will likely include the new Director for the MRE Department of Energy, Ambassador Andre Correa do Lago (currently Brazil's deputy head of mission at the European Union mission in Brussels), Santos, and possibly Martinez.

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Scientific/Technical Exchange Visit to Brazil  
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13. Regarding a long-proposed trip by U.S. scientists and experts to Brazil (a follow-up, reciprocal visit to the trip by their Brazilian counterparts to U.S. Department of Energy laboratories in September, 2007), Santos indicated that the GOB hopes to have a general itinerary available by the end of this month. However, she noted that January and February are like the U.S.'s July and August and specifics are hard to come by with the relevant university-affiliated scientists and researchers on summer vacation. The MRE hopes that the visit can take place in March after school resumes. She did indicate that the Brazilian scientists' report from their visit last year is nearly ready.

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Steering Committee and Advisory Group  
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14. Santos said that from Undersecretary Vargas's perspective, the week of Feb. 25-29 still looked good for the next bilateral Steering Committee meeting. Econoffs reiterated that that week was

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problematic for Undersecretary Jeffery and once again proffered March 4 as a possible date. Santos will check with Vargas's office. According to Santos, although the MRE has reached out to the institutions and companies previously provided to Washington as Brazil's choices for the Advisory Group, the government has not yet come to closure on the exact participants to be named for each identified institution. As soon as that is known, they will pass the information to us.

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IDB Annual Conference, FGV and Winrock Cooperation  
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15. Post passed along Washington's hope that Winrock consultants would be able to join the Fundacao Getulio Vargas (FGV) in making a joint presentation on their work in El Salvador and the Dominican Republic at the IDB annual meeting in Miami. Santos said her office would follow up with the GOB's IDB contacts and the FGV to get more information about the nature of the presentation and find out if that would be possible. She agreed that if the FGV is presenting its work on biofuels in the Dominican Republic or El Salvador, a joint presentation might be in order since both FGV and Winrock were working there, but that decision would be up to the IDB. She indicated she would discuss with Ambassador Simoes, as well as Emerson Kloss at the Brazilian Embassy in Washington. Santos briefly outlined progress so far, with Winrock and FGV working in parallel and with different methodologies and perhaps different timetables in mind, alluding to Brazil being "more relaxed" but also detailing the various steps and methodologies that FGV has undertaken to show the thoroughness of its process. She indicated that she was unable to respond to our more specific questions regarding FGV's current work, but that her staff was meeting with FGV in Rio and might have more answers shortly.

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Second Tranche of Countries?  
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16. Santos said that the question of the second tranche of countries was still being analyzed by the GOB-not in terms of what countries would comprise the list, but whether we should continue to pursue

the idea of a second group of countries at this juncture. At the end of the last Steering Group meeting, Santos contended, both Undersecretaries Vargas and Jeffery had agreed it would be premature to decide on new countries. According to Santos, at higher levels of the GOB there is concern not to rush this decision. She conveyed the belief of some in the GOB that it would be better to be able to demonstrate concrete results with the first group of countries before moving on to the second. "To promise and not deliver is not good," she said, asserting that progress in some aspects has been delayed in the first tranche and yet even so, "some people think it's too fast." However, she did share her personal assessment that the GOB would eventually see its way clear to moving on to a second tranche, although the timing of this decision would be key. She committed to gather more information on what GOB would therefore suggest as next steps.

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Looking Ahead to November and a Likely Invitation for POTUS  
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17. In addition to the International Biofuels Forum (IBF) meeting in Washington in March, Santos shared plans for a large international biofuels conference to be held in Brazil in mid-November. According to Santos, the GOB plans to invite President Bush to speak.

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Next Steps  
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18. Though unable to answer definitively all ref a questions, Santos committed to follow up with concrete responses. Delays in decision making could be partially attributed to the extended summer vacation in Brazil combined with the imminent departure of the head of the MRE's Department of Energy, Amb. Antonio Simoes. His replacement, Ambassador Andre Correa do Lago is scheduled to take over on

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February 18. Post understands that EEB heard 1/23 from Brazilian Embassy in Washington (ref c) that Brasilia is now proposing two dates for the visit of US Scientists to Brazil: March 31-April 4 or April 7-11; that the Brazilian Private Sector Advisory Committee will be named imminently; and that capital will respond "very soon" on Steering Committee dates. Post will follow up with MRE on all outstanding items.

SOBEL